

AS

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 98-376-C - ORDER NO. 98-825
OCTOBER 27, 1998

IN RE:	Application of DukeNet Communications, Inc. for a Certificate of Public Convenience and Necessity to Provide Local Exchange Service to Customers Located in those Areas of the State of South Carolina currently being Served by BellSouth, GTE South, Inc. and United Telephone Company of the Carolinas, Inc.)	ORDER APPROVING CERTIFICATE TO PROVIDE LOCAL EXCHANGE SERVICES
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This matter comes before the Public Service Commission of South Carolina ("the Commission") by way of the Application of DukeNet Communications, Inc. ("DukeNet" or "the Company") for a Certificate of Public Convenience and Necessity to permit it to provide local exchange and exchange access telecommunications services to customers located in those areas of South Carolina currently being served by BellSouth Telecommunications, Inc. ("BellSouth"); GTE South, Incorporated ("GTE"); and United Telephone Company of the Carolinas, Inc. ("United"). The Application was filed pursuant to S.C. Code Ann. § 58-9-280 and the Regulations of the Commission.

By letter, the Commission's Executive Director instructed DukeNet to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the areas affected by the Application. The purpose of the Notice of Filing was to inform interested parties of the manner and time in which to file the appropriate pleadings for participation in the proceedings. DukeNet complied with this instruction and provided the Commission

with proof of publication of the Notice of Filing. A Petition to Intervene was received from the Consumer Advocate for the State of South Carolina (“the Consumer Advocate”).

A hearing was commenced on October 7, 1998, at 3:30 p.m., in the Commission’s Hearing Room. The Honorable Philip T. Bradley, Chairman, presided. DukeNet was represented by M. John Bowen, Esquire and Margaret M. Fox, Esquire. Elliott F. Elam, Jr., Esquire represented the Consumer Advocate. Florence P. Belser, Staff Counsel, represented the Commission Staff.

John D. Snoddy, Vice President of Engineering and Operations of DukeNet, appeared and offered testimony in support of DukeNet’s application. The purpose of Snoddy’s testimony was (1) to describe the services DukeNet proposes to provide, (2) to describe the geographic area DukeNet seeks to serve, and (3) to demonstrate that DukeNet possesses sufficient technical, financial, and managerial resources to provide local exchange and exchange access telecommunications services.

DISCUSSION

S.C. Code Ann. § 58-9-280 (Supp. 1997) provides that the Commission may grant a certificate to operate as a telephone utility...to applicants proposing to furnish local telephone service in the service territory of an incumbent LEC.

After full consideration of the applicable law, DukeNet’s application, and evidence submitted by DukeNet, the Commission finds and concludes that the Certificate sought by DukeNet should be granted. The Commission’s determination is based on the following

criteria as provided in S.C. Code Ann. § 58-9-280 (Supp. 1997) and the evidence submitted in support of the motion which relates to that criteria:

1. The Commission finds that DukeNet possesses the technical, financial, and managerial resources sufficient to provide the services requested. S.C. Code Ann. § 58-9-280(B)(1) (Supp. 1997). Mr. Snoddy stated that DukeNet is a financially sound company. The financial statements submitted with the Application reveal a good cash position and a strong current ratio, or ability to meet current debt. Further, the financial statements indicate a profit at June 30, 1998.

The record shows that DukeNet is incorporated in the State of North Carolina and has received a certificate of authority to do business in South Carolina from the South Carolina Secretary of State. DukeNet is a subsidiary of Duke Energy Corp.

Mr. Snoddy stated that DukeNet has competent and experienced management and technical personnel to provide successfully and continuously the telecommunications services for which it seeks authority. According to Mr. Snoddy, DukeNet's officers and managers have extensive experience in the provision of long distance and local telecommunications service in North Carolina.

Based on the undisputed testimony of witness Snoddy, the Commission finds that DukeNet possess the technical, financial, and managerial resources sufficient to provide the services requested.

2. The Commission finds that DukeNet will provide services which will meet the service standards of the Commission. S.C. Code Ann. § 58-9-280(B) (Supp. 1997). Mr. Snoddy indicated that DukeNet would offer services which comply with the Commission's

service standards and also stated that DukeNet will comply with all applicable rules, policies and statutes applicable to the offering of those services. Based on the undisputed testimony Mr. Snoddy, the Commission believes, and so finds, that DukeNet will provide telecommunications services that will meet the service standards of the Commission.

3. The Commission finds that DukeNet's "provision of service will not adversely impact the availability of affordable local exchange service." S.C. Code Ann. §58-9-280(B)(3) (Supp. 1997). Mr. Snoddy's testimony reveals that DukeNet believes that approval of its Application will enhance and facilitate the benefits that come from competition such as additional service offerings and high service quality. Therefore, based on the undisputed evidence of record, the Commission finds that provision of local exchange services by DukeNet will not adversely impact affordable local exchange service.

4. The Commission finds that DukeNet will support universally available telephone service at affordable rates. S.C. Code Ann. § 58-9-280(B)(4) (Supp. 1997). Mr. Snoddy stated that DukeNet would comply with the Commission's universal service requirements and would participate in the support of universally available telephone service at affordable rates to the extent it may be required to do so by the Commission. Based on the undisputed evidence of record, the Commission finds that DukeNet will participate in support of universally available telephone service at affordable rates.

5. The Commission finds that the provision of local exchange service by DukeNet "does not otherwise adversely impact the public interest." S.C. Code Ann. § 58-9-280(B)(5) Supp. 1997). Mr. Snoddy stated that approval of DukeNet's Application would

not adversely affect the public interest but would enhance competition by offering additional service options and high service quality to South Carolina telecommunications customers. Therefore, based on the undisputed evidence of record, the Commission finds that approval of DukeNet's Application to provide local exchange service "does not otherwise adversely impact the public interest." S.C. Code Ann. § 58-9-280(B)(5) (Supp. 1997).

Therefore, based on the findings above, the Commission finds and concludes that a Certificate of Public Convenience and Necessity should be granted to DukeNet to permit it to provide local exchange and exchange access telecommunications services to customers located in those areas of South Carolina currently being served by BellSouth Telecommunications, Inc.; GTE South, Incorporated; and United Telephone Company of the Carolinas, Inc.

IT IS THEREFORE ORDERED THAT:

1. The Application of DukeNet for a Certificate of Public Convenience and Necessity to permit it to provide local exchange and exchange access telecommunications services to customers located in those areas of South Carolina currently being served by BellSouth Telecommunications, Inc.; GTE South, Incorporated; and United Telephone Company of the Carolinas, Inc. is approved. DukeNet is hereby authorized to provide competitive local exchange services in the areas in South Carolina served by BellSouth Telecommunications, Inc.; GTE South, Incorporated; and United Telephone Company of the Carolinas, Inc.

2. DukeNet shall file, prior to offering local exchange service in South Carolina, a final tariff of its service offerings conforming to all matters discussed with the Staff and the Consumer Advocate and comporting with South Carolina law in all matters.

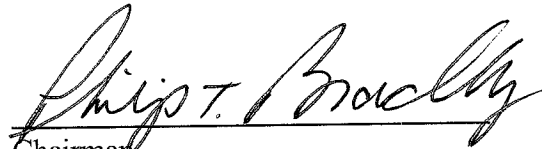
3. DukeNet shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relation (complaint) matters, engineering operations, and tests and repairs. In addition, DukeNet shall provide to the Commission in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours. DukeNet shall file with the Commission the names, addresses, and telephone numbers of those representatives within thirty (30) days of receipt of this Order. (Attachment A shall be utilized for the provision of this information to the Commission.) Further, DukeNet shall promptly notify the Commission in writing if the representatives are replaced.

4. DukeNet is directed to comply with all Commission regulations unless expressly waived by the Commission.

5. DukeNet shall conduct its business in compliance with Commission decisions and Orders, both past and future, including but not limited to, any and all Commission decisions which may be rendered in Docket No. 96-018-C regarding local competition.

6. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)

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ATTACHMENT A

**INFORMATION OF THE AUTHORIZED UTILITY
REPRESENTATIVES FOR INTEREXCHANGE, LOCAL
AND AOS COMPANIES**

PURSUANT TO SOUTH CAROLINA PUBLIC SERVICE COMMISSION
REGULATION 103-612.2.4(b), each utility shall file and maintain with the Commission
the name, title, address, and telephone number of the persons who should be contacted in
connection with Customer Relations/Complaints.

Company Name/DBA Name

Business Address

City, State, Zip Code

Authorized Utility Representative (Please Print or Type)

Telephone Number

Fax Number

E-Mail Address

This form was completed by Signature

If you have any questions, contact the Consumer Services Department at 803-737-5230